

Environment Committee and signed by its members. (Read title.) The bill was first read on January 12. It was referred to the Ag and Environment Committee. The bill was advanced to General File. There are committee amendments pending, Mr. President.

PRESIDENT: The Chair recognizes Senator Schmit.

SENATOR SCHMIT: This is another bill that follows along on the same line as does LB 80. It provides an original language that when the sale of gasohol would reach 20 million gallons annually that we would review the exemption that is presently afforded the blended fuel. It has been a point of some controversy, I suppose, that whether or not various such blends should be entitled to a subsidy. It has been rather well established in other states, I think, that subsidies have been accepted, but with this language in the bill it has become very difficult for Nebraska to encourage investment in the construction of alcohol plants, because the people who would invest money take a look at that and say, well, as soon as you sell 20 million gallons we are going to have to face the risk of losing the subsidy. Very frankly, we now I believe last year sold 35 million gallons of alcohol fuels and we expect to sell many more in the near future. But I would like to say that the removal of this language does not preclude, of course, the Legislature from reviewing that exemption every year as I think it should be. I think it is inevitable that some day the alcohol blended fuels or perhaps even alcohol fuels without a blend must stand on their own, and I think it is the responsibility of the Legislature to review that annually and we really do not need the language as is stated in the legislation today so I would ask that the bill be advanced. There may be some questions... there may be some discussion...(microphone not on).

PRESIDENT: Any further discussion on the committee amendments? Senator Kahle, on the committee amendments.

SENATOR KAHLE: Mr. President, a question of Senator Schmit. I don't think I quite understand, the 20 million gallon limit, is that still in this bill?

SENATOR SCHMIT: No, Senator, it is not in the bill.

SENATOR KAHLE: So that, you mentioned there were 35 million gallons that have been sold of gasohol in the state over what period of time?

SENATOR SCHMIT: Last year.